NORTH DAKOTA

UNDERGROUND INJECTION CONTROL

PROGRAM (1422) DESCRIPTION

North Dakota Industrial Commission

Department of Mineral Resources

Oil and Gas Division

I. INTRODUCTION

As mandated by the Safe Drinking Water Act of 1974 (as amended), the United States Environmental Protection Agency (EPA) has promulgated regulations establishing minimum requirements, technical criteria, and standards for effective state Underground Injection Control (UIC) programs to protect underground sources of drinking water (USDW). Under these regulations, the state of North Dakota received program implementation primacy in 1984, and has since operated in an EPA-approved UIC program.

On December 10, 2010 EPA finalized minimum federal requirements under the Safe Drinking Water Act (SDWA) for underground injection of Carbon Dioxide (CO_2) establishing a new class of injection wells, Class VI. The Class VI rule is based on UIC regulatory framework, with modifications to address the unique nature of CO_2 injection. The purpose for the Class VI rule is to ensure that geologic storage of CO_2 is conducted in a manner that protects USDWs.

In order to gain primacy enforcement responsibility for Class VI injection wells, North Dakota must demonstrate to the EPA that its UIC program is at least as stringent as the federal standards. As a result of meeting the federal stringency standard, chapter 43-05-01 of the North Dakota Administrative Code (NDAC) has been amended and the North Dakota 1422 UIC program has been revised to include Class VI injection wells.

This revised program description incorporates changes as required in federal regulations, but does not change the lead agency program administration status, nor the original intent of the UIC program. Jurisdiction of Class VI injection wells will be administered by the North Dakota Industrial Commission, Department of Mineral Resources, Oil and Gas Division (Commission). This revision of the North Dakota 1422 UIC program is for the sole purpose of adding Class VI injection wells to the North Dakota 1422 UIC program.

II. OVERVIEW OF THE STATE UIC PROGRAM

The UIC program is considered to be an important part of the overall State Groundwater Protection Strategy. With increasing groundwater demands and the impacts of energy development on groundwater, the control of subsurface injection is considered to be vital to maintaining the quality of the state's groundwater resources and to protect USDWs.

It is anticipated that during the first two years of the state Class VI program, that one permit application will be submitted to the Commission. The success of any proposed geological storage project in North Dakota will be based on the protection of USDWs, meeting all permitting requirements, and complying with all applicable state statutes and administrative rules. Permit applications and interest in underground storage of CO_2 is expected to increase as a result of broadened regulatory authority, increased energy production, potential use of CO_2 as a commodity, and a response to more stringent regulations governing CO_2 emissions to the atmosphere which would make underground injection a viable option to the reduction of anthropogenic related CO_2 emissions.

The Commission has statutory authority to regulate Class VI injection well activities under chapter 38-22 of the North Dakota Century Code (NDCC) and chapter 43-05-01 of the NDAC. In addition, the Commission operates an EPA-approved 1425 UIC program regulating Class II injection well activities under NDCC chapter 38-08 and NDAC chapter 43-02-05. The Commission receives a separate program grant from the EPA to administer the 1425 UIC program. Should funding become available for Class VI injection well activities the EPA will provide separate funding to the Commission to administer the Class VI program. The lead agency of the North Dakota 1422 UIC program is the Department of Health, Division of Water Quality. As the lead agency the Department of Health receives the annual program grant, as designated by the Governor of the state, is also the lead agency to coordinate the state 1422 UIC program. The Department of Health has authority over all Class I, IV, and V injection well activities. The North Dakota Geological Survey has authority over all Class III injection well activities. Each state agency is responsible for administering the state program for the injection wells under its jurisdiction including, but not limited to, reports, permits, monitoring, compliance, and enforcement actions.

The primary focus of the UIC program, promulgated under the authority of the Safe Drinking Water Act is to protect USDWs. Under federal definition USDWs are aquifers which contain water currently used for human consumption or which contain less than ten thousand milligrams per liter dissolved solids.

As described in state regulations, any underground water being used for drinking or domestic water or any underground water less than ten thousand milligrams per liter of total dissolved solids which has not been exempted, is a source of drinking water and is protected as such. However, after notice and opportunity for public hearing, the Commission may designate, identify, and describe in geographic or geometric terms, or both, which are clear and definite exempted aquifers or parts thereof using the following criteria:

1. It does not currently serve as a source of drinking water.

2. It cannot now and will not in the future serve as a source of drinking water because:

    a. It is mineral, hydrocarbon, or geothermal energy producing.

    b. It is situated at a depth or location which makes recovery of water for drinking water

purposes economically or technologically impractical.

c. It is so contaminated that it would be economically or technically impractical to render that water fit human consumption; or

d. It is located over a Class III well mining area subject to subsidence or catastrophic collapse; or

3. The total dissolved solids content of the groundwater is more than three thousand and less than ten thousand milligrams per liter, and it is not reasonably expected to supply a water system.

Other than EPA approved aquifer exemption expansions that meet the criteria for exempted aquifers, new aquifer exemptions shall not be issued for Class VI injection well activities. Even if an aquifer has not been specifically identified by the Director, it is an underground source of drinking water if it meets the definition.

The North Dakota Class VI program requires all owners or operators applying to inject CO_2 for the purpose of geologic storage to obtain a storage facility permit, a permit to drill (deepen, convert, or reenter), and a permit to operate prior to commencement of injection activities. Permit applications will be reviewed by the Commission and issued in accordance with NDCC chapter 38-22 and NDAC chapter 43-05-01. As a permitting requirement all Class VI injection wells must demonstrate and maintain mechanical integrity. The storage facility permit application requirements include, but are not limited to, a technical evaluation, an area of review and corrective action plan, a demonstration of financial responsibility, an emergency and remedial response plan, a proposed casing and cementing program, a testing and monitoring plan, a plugging plan, and a post-injection site care and facility closure plan. The Commission will consult with the state Department of Health, Division of Water Quality before issuing a storage facility permit.

After a storage facility permit is issued, any phase of the geologic storage project may be inspected for compliance by the Commission's authorized agents. Injection activities may not commence until construction of the injection well is complete, a permit to operate has been obtained, and the storage facility is in full compliance.

Compliance monitoring is the responsibility of the Commission. This monitoring will at a minimum include, on-site inspections conducted by the Commission's authorized agents and a review of operating and monitoring reports submitted in compliance with reporting requirements pursuant to NDAC section 43-05-01-18.

If it is determined that the storage operator is in violation of the permit or permit condition appropriate enforcement action will be pursued by the Commission.

When a well is taken out of service it must be properly plugged and abandoned or approved by the Commission as a monitoring well. Plugging requirements for Class VI wells are included in NDAC section 43-05-01-11.5.

North Dakota citizens are encouraged to actively participate in program development and the storage

facility permit process through public comment and hearings.

III. AGENCY ORGANIZATION AND STRUCTURE

A. General Responsibilities

The North Dakota Department of Health has the statutory authority to regulate all Class I, IV, and V injection wells through NDCC chapter 61-28 (Control, Prevention, and Abatement of Pollution of Surface Waters). The North Dakota Geological Survey has the statutory authority to regulate all Class III injection wells through NDCC chapter 38-12 (Regulation, Development, and Production of Subsurface Minerals). Upon approval by EPA the Commission will have the statutory authority to regulate Class VI injection well activities under NDCC chapter 38-22 and NDAC chapter 43-05-01.

Each permitting agency has the following responsibilities specific to their associated statutory authority:

1. Administer the rules and regulations as they pertain to subsurface injections.
2. Perform technical evaluations of injection well applications and prepare draft permits.
3. Issue, deny, amend, or cancel permits.
4. Witness, at the discretion of the permitting agency, any aspect of construction, testing, operation, and closure of injection well activities.
5. Perform on-site certification of permit requirements.
6. Review operation reports for permit or rule compliance.
7. Provide recommendations of compliance strategies and corrective action when violations occur.
8. Maintain a data base of injection well information including quantity/quality of injected material, well construction, local geology, and the pertinent water resources that could be impacted.
9. Provide testimony in public hearings or enforcement proceedings as required.
10. Respond to public inquiries and complaints regarding proposed or operating injection facilities.
11. Ensure that the regulated community and the public at large are informed about underground injection activities.
12. Initiate and pursue appropriate enforcement action when the permit or rule requirements are violated.
13. Maintain permit files including information on the geology and hydrology (e.g., depth, name, and quality of USDWs) in the vicinity of the injection wells along with other data submitted with the application.

B. Specific Responsibilities

North Dakota Industrial Commission, Department of Mineral Resources, Oil and Gas Division

The North Dakota Oil and Gas Division has jurisdiction over the conservation of oil and gas in the State. In addition to these responsibilities and upon EPA approval the Oil and Gas Division will administer all regulatory authority for Class VI injection well activities. The Oil and Gas Division is responsible for the following tasks and statutory obligations:

a. The administration of state statutes and administrative rules regulating the drilling and production of oil and gas in North Dakota.

b. Administers the Class II UIC Program.

c. Administers the Class VI UIC Program.

The objectives of the Oil and Gas Division are to encourage and promote the development, production, and utilization of oil and gas in the State in such a manner as will prevent waste, maximizes economic recovery, and fully protect the correlative rights of all owners to the end that the landowners, the royalty owners, the producers, and the general public realize the greatest possible good from these vital natural resources.

North Dakota Industrial Commission, Department of Mineral Resources, Oil and Gas Division
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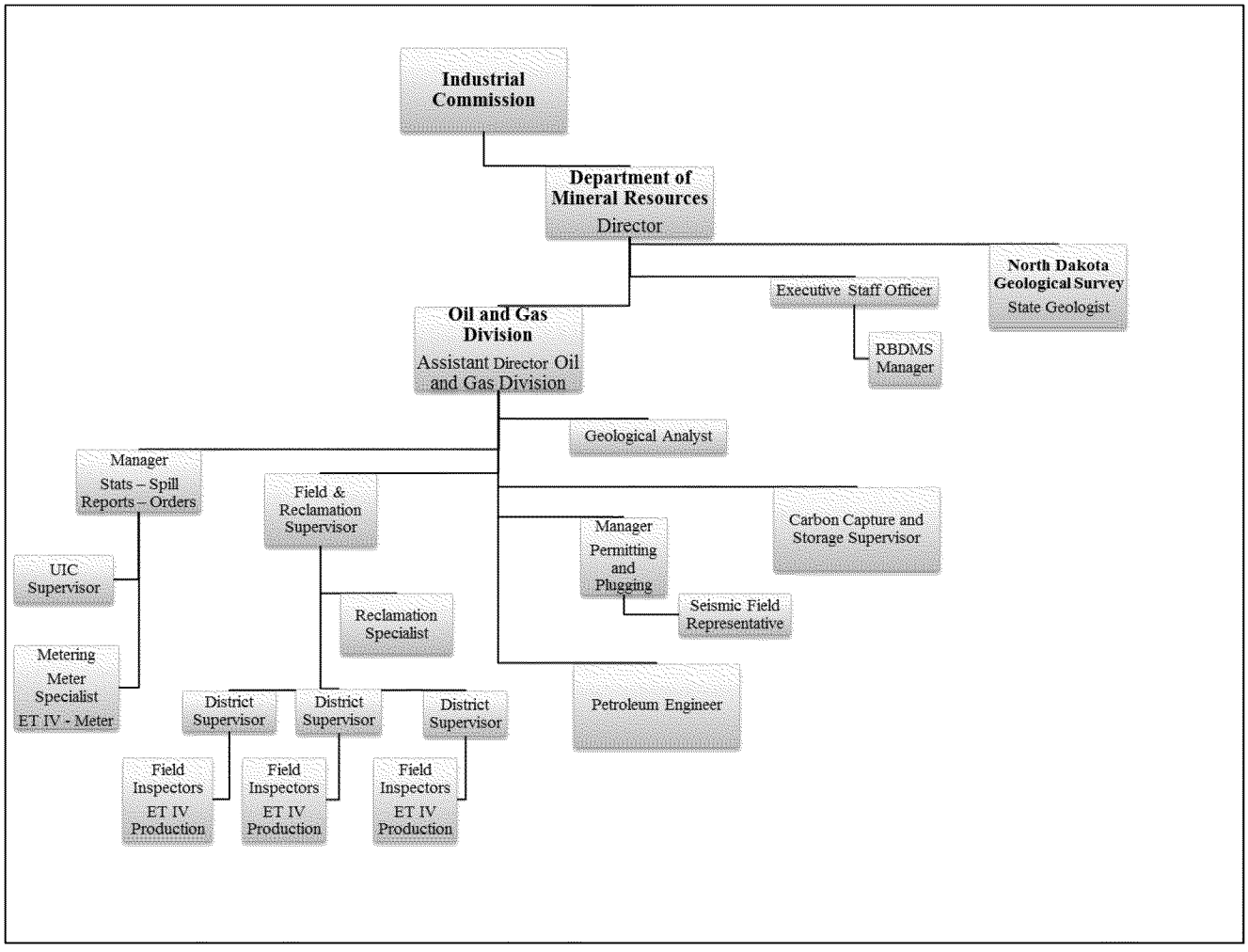

Figure 1. North Dakota Department of Mineral Resources, Oil and Gas Division Organizational Chart

IV. STATE UNDERGROUND INJECTION CONTROL PERMITTING PROCESS

The Commission is responsible for the technical evaluation of CO_2 injection well permit applications and drafting of permit provisions for Class VI wells. Before issuing a permit, the Commission shall consult the North Dakota Department of Health, Division of Water Quality.

A. Class VI Injection Wells

Permit Requirements:

In North Dakota Class VI injection wells may be used to inject CO_2 into or withdraw CO_2 from a storage reservoir.

When the Commission receives a permit application, it is reviewed for completeness with deficiencies noted and, if necessary, additional information will be requested. Each applicant must provide information outlined in NDAC chapter 43-05-01 (Geologic Storage of Carbon Dioxide) and the permit application.

1. Required Information for Storage Facility Permit

At minimum, the Commission will evaluate the following information before issuing a draft permit:

a. A site map showing the boundaries of the storage reservoir and the location of all proposed wells, proposed cathodic protection boreholes, and surface facilities within the CO_2 storage facility area;

b. A technical evaluation of the proposed storage facility, including the following:

(1) The name, description, and average depth of the storage reservoirs;

(2) A geologic and hydrogeologic evaluation of the facility area, including an evaluation of all existing information on all geologic strata overlying the storage reservoir, including the immediate caprock containment characteristics and all subsurface zones to be used for monitoring.

(3) A review of the data of public record, conducted by a geologist or engineer, for all wells within the facility area, which penetrate the storage reservoir or primary or secondary seals overlying the reservoir, and all wells within the facility area and within one mile [1.61 kilometers], or any other distance as deemed necessary by the commission, of the facility area boundary.

(4) The proposed calculated average and maximum daily injection rates, daily volume, and the total anticipated volume of the CO_2 stream using a method acceptable to and filed with the commission;

(5) The proposed average and maximum bottom hole injection pressure to be utilized at the reservoir. The maximum allowed injection pressure, measured in

pounds per square inch gauge, shall be approved by the commission and specified in the permit.

(6) The proposed pre-operational formation testing program to obtain an analysis of the chemical and physical characteristics of the injection zone and confining zone pursuant to section 43-05-01-11.2;

(7) The proposed stimulation program, a description of stimulation fluids to be used and a determination that stimulation will not interfere with containment; and

(8) The proposed procedure to outline steps necessary to conduct injection operations.

c. The extent of the pore space that will be occupied by CO_2 as determined by utilizing all appropriate geologic and reservoir engineering information and reservoir analysis, which must include various computational models for reservoir characterization, and the projected response of the CO_2 plume and storage capacity of the storage reservoir; The computational model must be based on detailed geologic data collected to characterize the injection zones, confining zones, and any additional zones;

d. An emergency and remedial response plan pursuant to section 43-05-01-13;

e. A detailed worker safety plan that addresses CO_2 safety training and safe working procedures at the storage facility pursuant to section 43-05-01-13;

f. A corrosion monitoring and prevention plan for all wells and surface facilities pursuant to section 43-05-01-15;

g. A leak detection and monitoring plan for all wells and surface facilities pursuant to section 43-05-01-14. The plan must:

(1) Identify the potential for release to the atmosphere;

(2) Identify potential degradation of ground water resources with particular emphasis on USDWs; and

(3) Identify potential migration of CO_2 into any mineral zone in the facility area.

h. A leak detection and monitoring plan utilizing subsurface observation wells to monitor any movement of the CO_2 outside of the storage reservoir. This may include the collection of baseline information of CO_2 background concentrations in ground water, surface soils, and chemical composition of in situ waters within the facility area and the storage reservoir and within one mile [1.61 kilometers] of the facility area outside boundary. Provisions in the plan will be dictated by the site characteristics as documented by materials submitted in support of the permit application but must:

(1) Identify the potential for release to the atmosphere;

(2) Identify potential degradation of ground water resources with particular emphasis on USDWs; and

(3) Identify potential migration of CO_2 into any mineral zone in the facility area.

i. The proposed well casing and cementing program detailing compliance with section 43-05-01-09;

j. An area of review and corrective action plan that meets the requirements pursuant to section 43-05-01-05.1;

k. The storage operator shall comply with the financial responsibility requirements pursuant to section 43-05-01-09.1;

l. A testing and monitoring plan pursuant to section 43-05-01-11.4;

m. A plugging plan that meets requirements pursuant to section 43-05-01-11.5;

n. A post-injection site care and facility closure plan pursuant to section 43-05-01-19; and

o. Any other information that the commission requires.

2. Public Participation and Technical Evaluation

During the technical evaluation of a storage facility permit application, staff may require additional information to assist in determining if a draft permit should be prepared. Upon completion of the evaluation the commission will tentatively decide whether to prepare a draft permit or to deny the application. Before a draft permit is prepared the commission will consult the North Dakota Department of Health, Division of Water Quality. If the commission decides to prepare a draft permit, a public notice will be issued. The public notice of comment period and hearing will follow procedures as outlined in NDAC chapter 43-05-01 Geologic Storage of Carbon Dioxide.

During the public comment period, any interested person may submit written comments on the draft permit or the storage facility permit application. All comments shall be considered in making the final decision and shall be addressed when a storage facility permit is issued.

The commission will hold a public hearing on the storage facility permit application and draft permit. Notice of the public hearing will be published in a newspaper of general circulation in Bismarck, North Dakota, and in a newspaper of general circulation in the county where the land affected or some part thereof is situated at least 30 days prior to the hearing. The public notice will include information about the length of the comment period, contact person, and the address and phone number of the Commission, so interested parties can request copies of the storage facility permit application and the draft permit. After completion of the hearing a final decision will be rendered in the form of a Industrial Commission order. The commission will issue a

response to all formal comments received during the hearing process.

3. Required information for a Permit to Drill

Following receipt of a storage facility permit, the storage operator shall obtain a permit to drill, deepen, convert, operate, or, upon demonstration of mechanical integrity, reenter a previously plugged and abandoned well for storage purposes.

Application for permit to drill, deepen, convert, operate, or reenter a well must include at a minimum:

a. A plat certified by a registered surveyor showing the location of the proposed injection well;

b. The drilling, completion, or conversion procedures;

c. A well bore schematic;

d. A geophysical log through the storage reservoir; and

e. The proposed pad layout.

4. Permit to Operate a Class VI Injection Well

Within 30 days after the conclusion of well drilling and completion activities, a permit application shall be submitted to operate an injection well and must include at a minimum:

a. A schematic diagram of the surface injection system and its appurtenances;

b. A final well bore diagram;

c. The well's complete dual induction log or equivalent log through the storage reservoir;

d. An affidavit specifying the chemical constituents of the CO_2 stream other than CO_2 and their relative proportions and the source of the CO_2 stream;

e. A cement bond log showing that the long string casing is cemented adequately so the CO_2 is confined to the storage reservoir;

f. The results of the mechanical integrity test;

g. The final area of review;

h. Information on the compatibility of the CO_2 stream with the fluids in the injection zone;

i. The results of the formation testing program;

j. The status of the corrective action on wells in the area of review;

k. All available logging and testing program data on the well; and

l. Any updates to the proposed plans required in the storage facility permit.

5. Mechanical Integrity

A Class VI injection well has mechanical integrity if there is no significant leak in the casing, tubing, or packer; and there is no significant fluid movement into an USDW through channels adjacent to the well bore. To evaluate the absence of significant leaks the storage operator shall, following an initial annulus pressure test, continuously monitor injection pressure, rate, injected volumes, pressure on the annulus between tubing and long-string casing, and annulus fluid volume.

At least annually, the storage operator shall use an approved tracer survey or a temperature or noise log to determine the absence of significant fluid movement.

To evaluate mechanical integrity, the storage operator shall apply methods and standards generally accepted in the industry. When the storage operator reports the results of mechanical integrity tests to the Commission, the storage operator shall include a description of the test and the method used. In order to properly evaluate mechanical integrity the Commission must review monitoring and other test data submitted since the previous evaluation.

The Commission may require additional or alternative tests if the results presented by the storage operator are not satisfactory to the Commission to demonstrate mechanical integrity.

6. Plugging and Abandonment

Prior to granting approval for well plugging, the storage operator is required perform a final external mechanical integrity test. The storage operator shall comply with the Commission approved plugging plan, required as part of the storage facility permit. The plugging plan must include the following:

a. Appropriate tests or measures for determining bottomhole reservoir pressure;

b. Appropriate testing methods to ensure external mechanical integrity;

c. The type and number of plugs to be used;

d. The placement of each plug, including the elevation of the top and bottom of each plug;

e. The type, grade, and quantity of material to be used in plugging. The material must be compatible with the CO_2 stream; and

f. The method of placement of the plugs.

7. Post-Injection Site Care and Facility Closure

Upon permanent cessation of CO_2 injection all wells not associated with the post-injection monitoring will be plugged and abandoned, all equipment associated with the storage facility will be removed from the site, and the surface will be reclaimed to the commission's specifications returning the land to as closely as practicable to original condition.

The storage operator will continue to conduct monitoring as specified by the post-injection site care and facility closure plan. The plan must include the pressure differential between pre-injection and predicted post-injection pressures, the predicted position of the CO_2 plume and associated pressure front at cessation, a description of the post-injection monitoring, a schedule for submitting post-injection monitoring results, and the duration post-injection monitoring timeframe.

The storage operator may apply for project completion once the final assessment is complete, USDWs are no longer endangered, and upon full compliance with all Certificate of Project Completion requirements.

8. Certificate of Project Completion

    a. After CO_2 injections into a reservoir end and upon application by the storage operator, the Commission shall consider issuing a certificate of project completion.

    b. The certificate may only be issued after public notice and hearing. The Commission shall establish notice requirements for this hearing.

    c. The certificate may only be issued after the Commission has consulted with the state Department of Health.

    d. The certificate may not be issued until at least ten years after CO_2 injections end.

    e. The certificate may only be issued if the storage operator:

        (1) Is in full compliance with all laws governing the storage facility.

        (2) Shows that it has addressed all pending claims regarding the storage facility's operation.

        (3) Shows that the storage reservoir is reasonably expected to retain the CO_2 stored in it.

        (4) Shows that the CO_2 in the storage reservoir has become stable. Stored CO_2 is stable if it is essentially stationary or, if it is migrating or may migrate, that any migration will be unlikely to cross the storage reservoir boundary.

        (5) Shows that all wells, equipment, and facilities to be used in the postclosure period are in good condition and retain mechanical integrity.

        (6) Shows that it has plugged wells, removed equipment and facilities, and completed reclamation work as required by the Commission.

9. Once a certificate is issued:

    a. Title to the storage facility and to the stored CO_2 transfers, without payment of any compensation, to the state.

    b. Title acquired by the state includes all rights and interests in, and all responsibilities associated with, the stored CO_2.

c. The storage operator and all persons who generated any injected CO_2 are released from all regulatory requirements associated with the storage facility.

d. Any bonds posted by the storage operator must be released.

e. Monitoring and managing the storage facility is the state's responsibility to be overseen by the Commission until such time as the federal government assumes responsibility for the long-term monitoring and management of storage facilities.

10. Monitoring and managing the storage Facility:

a. Upon issuance of project completion the commission is responsible for the long-term monitoring and managing of the storage facility.

b. The state is responsible for the continued long-term monitoring of the site overseen by the commission until the federal government assumes responsibility.

11. Facility Closure:

a. The state is responsible for the plugging and abandonment of all remaining monitoring wells. It is the commission's obligation to assure that these monitoring wells will be plugged in a manner which will not allow for movement of injection or formation fluids that endanger USDW.

V. STATE COMPLIANCE MONITORING PROGRAM

A. Plan Review

The Commission must verify that the storage facility construction, completion, operation, maintenance, and closure procedures are performed according to approved plans and specifications, and meet all permit or regulation requirements.

Verification of injection well activities is accomplished by reviewing appropriate plans and reports, performing on-site inspections, responding to complaints, and, where necessary, referring noncompliance to legal counsel for appropriate enforcement action.

Review of plans and reports may include but are not restricted to:

1. Revisions to construction plans filed after permit issuance.

2. Well completion reports including results of required logging and other testing.

3. Results of injectivity and pump tests, mechanical integrity tests, and any other required tests.

4. Bottomhole pressure reports and updated evaluations of the effects of injection on the injection zone, including fluid volume, injection rate, and injection pressure data.

5. Work over plans and work over reports describing construction or maintenance.

6. Revisions to plugging plan and reports of completion of plugging, and other site closure activities.

7. Any other plans or test results connected with the proper construction, operation, and maintenance of the well and associated surface facilities.

B. Site Inspections

Site inspections to verify or witness construction, operation, and maintenance procedures may be conducted as necessary when certain construction operations begin, or in response to a compliant or other indication that a problem may exist. Construction elements and testing that may be witnessed or supervised by the Commission and it authorized agents, include:

1. Setting and cementing surface casing.
2. Cementing long string casing.
3. Well logging and coring operations.
4. Pressure testing of tubing and casing.
5. Formation pressure tests, injectivity tests, or pump tests.
6. Installation and maintenance of instrumentation.
7. Work required by any corrective action plan.
8. Well workovers.
9. Placement of monitoring wells or other equipment.
10. Any plugging procedures.
11. Mechanical Integrity testing.

In addition, geologic storage facilities may be inspected at any time by the Commission and its authorized agents.

C. Complaints

Complaints alleging improper construction, completion, operation, or maintenance at a storage facility will be investigated by the Commission. Response to complaints may consist of:

1. Establishing the nature and authenticity of the complaint.
2. Reviewing appropriate records, reports, and files.
3. Establishing contact with the operator to verify the complaint and discuss corrective action.
4. Performing a site inspection to determine if a problem exists.
5. Referring the complaint, after verification through appropriate investigation and documentation to legal counsel.

D. Monitoring Program

The compliance monitoring program will be handled by the Commission for all Class VI injection well activities. The objective of the monitoring program is to verify attainment of and maintain compliance with provisions of permits, rules, and any other additional permit conditions or stipulations. The objectives are achieved by:

1. Conducting inspections of storage facilities.

2. Reviewing self-reporting, monitoring, record keeping, and certain operating and maintenance activities.

3. Investigating unauthorized injection activities and unauthorized facilities.

4. Participation in appropriate water quality sampling programs.

5. Responding to citizen complaints.

Site inspections will be conducted by the Commission's authorized agents. The inspections will be conducted at the discretion of the Commission for all permitted CO_2 storage facilities in order to:

1. Determine the probability of a violation and indicate problems that may be causing or lead to violations.

2. Assist in identification of existing problems or prevent potential problems from developing.

3. Update the Commission records on the facility and verify operational procedures.

4. Maintain a regulatory presents with the storage operator and all landowners impacted by the geologic storage project.

E. Annual Inspections

1. Observations of injection site, facilities, and monitoring wells.

2. Review of records to determine history of performance and compliance.

3. Evaluation of the operation and maintenance of the storage facility.

4. A review of all Class VI permit conditions.

5. A review of all site specific permit conditions.

F. Compliance Inspections

Compliance follow-up inspections may be conducted at any time to:

1. Determine existence of a violation.

2. Provide basis for enforcement action.

3. Define type of violation.

4. Provide data to assist in determining cause of violation.

Site inspections and examination of storage operator records will be conducted under the authority of NDCC chapter 38-22 and NDAC chapter 43-05-01.

VI. NORTH DAKOTA ENFORCEMENT PROCEDURES

Any person violating NDCC chapter 38-22 or NDAC chapter 43-05-01, any condition of a permit, or any rule or order of the Commission is subject to enforcement action. The Commission is responsible for initiating, pursuing, and resolving formal enforcement actions.

Prior to taking formal enforcement action the Commission may:

1. By means of written correspondence an alleged violator will be notified of deficiencies and may require corrective action.

2. The Commission will draft and issue a notice of violation to the alleged violator.

Formal enforcement proceedings may include:

3. Issuance of a letter detailing recommendations for corrective action and establishing a compliance period in which action will be taken.

4. Issuance of an administrative order by the Commission specifying corrective action and compliance schedule.

5. Signing of a stipulation between the Commission and the alleged violator establishing a compliance schedule for corrective action.

6. Conducting an administrative hearing (formal or informal) pursuant to NDCC chapter 38-22 and NDAC chapter 43-05-01.

7. All enforcement proceedings may result in modification, revocation, or suspension of any permit issued under authority of the Underground Injection Control program.

If further enforcement action is required:

8. The state may seek civil penalty up to $12,500 a day under NDCC section 38-22-18.

Overall enforcement strategy of the Commission is based on the following concerns:

Priority No. 1: Remove any potential pollution problem as soon as possible.

Priority No. 2: Prevent such problems from causing any further damage.

Priority No. 3: Ensure that proper corrective or cleanup actions are taken.

Priority No. 4: Ensure that same type of violation will not occur again.

Priority No. 5: Seek civil penalty for violation.

The Commission will attempt to handle all minor violations through informal means or through use of correspondence between technical staff and the alleged violator. The Commission along with the state Department of Health will have, as its main concern, those violations which may have significant effects on the environment of the state of North Dakota and which may endanger valuable resources, such as USDWs.

VII. Reports

The owner or operator must submit all required reports, submittals, and notifications under NDAC chapter 43-05-01 to EPA in an electronic format approved by EPA, as required under NDAC section 43-05-01-18 subsection 5.

A. Quarterly Reports

The Commission will prepare and submit to EPA the following underground injection control program reports concerning Class VI wells:

1. EPA Form 7520-1 Part I: Permit Review and Issuance/Wells in Area of Review
2. EPA Form 7520-2A Part II: Compliance Evaluation
3. EPA Form 7520-2B Part III: Significant Noncompliance
4. EPA Form 7520-3 Part IV: Inspections, Mechanical Integrity Testing

Quarterly reports will be submitted in accordance with the following schedule:

Quarter	Report Due
October. November, December	January 30
January, February, March	April 30
April, May, June	July 30
July, August, September	October 30

B. Annual Report

July, August, September	October 30

Annual program reports will be submitted to the regional administrator by December 1. The report is for the period of October 1 through September 30 (federal fiscal year) and will consist of the following:

1. A well inventory consisting of the facility name and ID, location, well type, and well status.
2. A summary of the major program activities during the fiscal year as identified in the work plan.